

Message Text

CONFIDENTIAL

PAGE 01 STATE 079788

70

ORIGIN EB-02

INFO OCT-01 EUR-02 ADP-00 /005 R

66640

DRAFTED BY: EB/ ORF/ TRP: RCSCISSORS

APPROVED BY: EB/ ORF/ TRP: RCSISSORS

----- 052799

R 272013 Z APR 73

FM SECSTATE WASHDC

TO AMEMBASSY LONDON

C O N F I D E N T I A L STATE 079788

FOL TEL SENT SECSTATE INFO RIO DE JANEIRO FROM BRASILIA APRIL 26:

QUOTE: BRASILIA 2428

E. O. 11652:

TAGS: EGEN, BR

SUBJ: SOLUBLE COFFEE-- BRAZILIAN PROPOSAL TO TERMINATE AGREEMENT

REF: STATE 076341

1. I MET TODAY WITH MINISTER OF INDUSTRY AND COMMERCE MARCUS VINICIUS PRATINI DE MORAES TO PURSUE ON PRIVATE AND INFORMAL BASIS BRAZILIAN PROPOSAL WHICH WAS SUBJECT BRASILIA 2067. IN LENGTHY DISCUSSION WE RESTATED OUR RESPECTIVE POSITIONS. BY NOW WELL KNOWN TO BOTH SIDES. I EXPRESSED STRONG DISAPPOINTMENT AT GOB PROPOSAL FOR TERMINATION OF AGREEMENT AND COMPENSATION SET FORTH IN FOREIGN OFFICE MEMORANDUM. I USED ALL AVAILABLE ARGUMENTS IN URGING THAT GOB RECONSIDER AND INSTEAD LIVE UP TO OBLIGATIONS WHICH WE CONSIDER TO BE BINDING UPON THEM FOR ENTIRE PERIOD OF AGREEMENT. AND AT VERY LEAST UP TO FORMAL NOTIFICATION OF TERMINATION.

2. MINISTER RESPONDED BY DETAILED REVIEW OF GOB POSITION THAT SOLUBLE ACCORD BECAME INOPERATIVE AT TIME NO- QUOTA DECISION MADE. HE SAID IT WOULD BE IMPOSSIBLE FOR GOVT TO
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 079788

REVERSE POSITION ON TERMINATION OF ACCORD, BUT REITERATED

DESIRE TO SETTLE MATTER ON AMICABLE BASIS. HE FELT THAT OFFER MADE IN FOREIGN OFFICE DOCUMENT WOULD REPRESENT FAIR SETTLEMENT, BUT IN LIGHT STRONG VIEWS WHICH I HAD EXPRESSED, HE WILLING TO CONSIDER MODIFICATION. ENSUING DISCUSSION RENDERED IT CLEAR THAT HE WAS PREPARED TO OFFER ALLOCATION FOR FULL QUARTER OCT 15 TO JAN 14, REPRESENTING INCREASE FROM TWO- THIRDS PREVIOUSLY OFFERED.

3. I RESPONDED IT HIGHLY DOUBTFUL THAT DEPT WOULD FEEL THAT THIS WAS REASONABLE OFFER, AND INDEED IT SEEMED TO ME THAT EVEN TAKING INTO ACCOUNT BRAZILIAN ARGUMENTS ON MERITS OF CASE THERE REMAINED FULL JUSTIFICATION FOR COMPENSATION AT LEAST UP TO TIME WE NOTIFIED OF TERMINATION. WHILE I COULD NOT INDICATE ACCEPTANCE EVEN ON THAT BASIS, I URGED HIM TO PERMIT ME TO REPORT HIS WILLINGNESS TO GO AT LEAST THAT FAR. HE CONSIDERED IT IMPOSSIBLE TO DO SO, CLAIMING THIS WHOLLY CONTRARY TO POSITION OF GOB AND ACTIONS, UNSPECIFIED, WHICH BRAZIL HAD ALREADY TAKEN ON BASIS OF LEGAL DETERMINATION THAT SOLUBLE ACCORD CEASED TO BE OPERATIVE WHEN DECISION MADE THAT THERE WOULD BE NO QUOTAS. NEVERTHELESS, HE SAID THAT HE WOULD REFLECT UPON MATTER AND SUGGESTED THAT WE MEET AGAIN AFTERNOON OF MONDAY, MAY 1, TO RESUME TALK. FROM HIS COMMENTS AND ATTITUDE I GATHERED THAT ADVANCE, IF ANY, BEYOND OFFER COMPENSATION ONE FULL QUARTER WOULD BE RELATIVELY SMALL. IT MOST LIKELY HE WILL STICK TO MAXIMUM OF ONE FULL QUARTER.

4. INCIDENTALLY, WHEN I MENTIONED IN MY ARGUMENT THAT US INDUSTRY LIKELY TO BE EXTREMELY UNHAPPY RE SMALL COMPENSATION OFFERED MARCUS VINICIUS SAID HE HAD STRONG REASON TO BELIEVE IN THE BASIS DISCUSSIONS WITH PRINCIPAL AMERICAN PRODUCERS THAT THIS WOULD NOT RPT NOT PRESENT SIGNIFICANT PROBLEM.

5. I WOULD APPRECIATE GUIDANCE SUBSTANTIALLY BEFORE MY MEETING WITH MINISTER MONDAY AFTERNOON. ROUNTREE
UNQUOTE ROGERS

CONFIDENTIAL
NMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 27 APR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE079788
Document Source: CORE
Document Unique ID: 00
Drafter: EB/ ORF/ TRP: RCSCISSORS
Enclosure: n/a
Executive Order: RR
Errors: n/a
Film Number: n/a
From: SECSTATE WASHDC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730454/aaaaiyyx.tel
Line Count: 97
Locator: TEXT ON-LINE
Office: ORIGIN EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 73 STATE 076341
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 08 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08-Aug-2001 by worrelsw>; APPROVED <25 FEB 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 980204
Subject: SOLUBLE COFFEE-- BRAZILIAN PROPOSAL TO TERMINATE AGREEMENT
TAGS: EGEN, BR
To: LONDON
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005